

Memorandum – Gr11 April Exam 2009

Section A:

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|------|---------|----------|----------|----------|
| Q1.1 | 1.1.1 A | 1.1.8 C | 1.1.14 B | 1.1.20 C |
| | 1.1.2 D | 1.1.9 D | 1.1.15 C | 1.1.21 B |
| | 1.1.3 A | 1.1.10 A | 1.1.16 B | 1.1.22 A |
| | 1.1.4 B | 1.1.11 B | 1.1.17 A | 1.1.23 A |
| | 1.1.5 C | 1.1.12 C | 1.1.18 A | 1.1.24 C |
| | 1.1.6 C | 1.1.13 D | 1.1.19 D | 1.1.25 C |
| | 1.1.7 B | | | |
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- | | | |
|------|-------------|-------------|
| Q1.2 | 1.2.1 True | 1.2.6 False |
| | 1.2.2 True | 1.2.7 False |
| | 1.2.3 False | 1.2.8 True |
| | 1.2.4 True | 1.2.9 True |
| | 1.2.5 True | 1.2.10 True |
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- | | | |
|------|------------------------------|--|
| Q1.3 | 1.3.1 The market environment | 1.3.6 The Public Domain |
| | 1.3.2 A Gantt Chart | 1.3.7 Corporate Social Responsibility/Investment |
| | 1.3.3 Secondary Sector | 1.3.8 Professionalism |
| | 1.3.4 Data Base | 1.3.9 Team Synergy |
| | 1.3.5 Formal communication | 1.3.10 The Norming stage |

Section B:

Question 2.

Required: Elaborate, in detail, on the interlinking between the various sectors by using your own examples to expand on this inter-relationship.

Introduction:

- It is important to remember and understand the links between the three economic sectors
- The three economic sectors cannot function independently.

Sectors involved with production:

Primary sector:

- ...involved in the extraction of products and raw materials from the natural resources.
Examples: Agricultural, forestry and fishing, mining and quarrying

Secondary sector:

- ...changes the form of the unprocessed raw materials into useful products.
Examples: Factories – Sappi manufactures paper from wood.
Electricity, gas and water supply
Construction industry.

Tertiary sector:

- ...facilitates the flow of goods and services from primary and secondary producers to customers.
Examples: Traders, transport, communication financing, storage, insurance, advertising.

This sector adds value to goods and services by bringing them to customers and making them available in the right quantities and at the right time.

Government services:...egs, Education, health, welfare, policing and defence.

Personal services:...egs, Banking, insurance, legal advice, dental care, plumbing, etc.

Links between the sectors of the economy:

1. Although we have three separate sectors into which all economic activities are divided, these sectors are completely independent of each other.
2. The secondary sector is dependent on the primary sector for the raw materials that are processed into more useful products.
3. The secondary sector also relies on the tertiary sector for the provision of a variety of services.
4. The primary sector, in turn, is dependent on the secondary sector for manufactured goods such as machinery, equipment, fertilizers, etc.
5. The tertiary sector is also dependent on the secondary sector for manufactured goods such as office machines, office furniture, stationery, etc.
6. We also find that businesses within a sector are dependent on other businesses within the same sector.
7. In the primary sector, there are farmers who need seed and food stock produced by other farmers.
8. In the secondary sector, there are manufacturers of components that are used by other manufacturers in their final products.
9. For example, the manufacturers of CD roms, display screens, mother boards, provide these to the manufacturers of computers.
10. In the tertiary sector, we find that retailers are dependent on wholesalers for the supply of their stocks.
11. The various services of transport, communication, financing, insurance and advertising are provided not only to the primary and secondary sectors, but also to businesses within the tertiary sector.
12. A backward link means that the businesses in that sector buy products or services from another sector or from businesses within the same sector.
13. An example of backward link with another sector is foods bought by food manufacturers in the secondary sector from farmers in the primary sector or coal bought by steel producers in the secondary sector from coal mines in the primary sector.

14. Example...backward links, businesses within in a sector buying from businesses within the same sector.
15. Example...manufacturer of clothing in the secondary sector buys zips and buttons from another manufacturer in the secondary sector.
16. A forward link means that businesses in a sector, sell their goods or services to another sector or to businesses within the same sector.
17. Examples of forward links: Cotton sold by cotton farmers in the primary sector to spinning and weaving factories in the secondary sector.
18. Example of selling products or services by businesses in a sector to businesses within the same sector: tyre manufacturers in the secondary sector sell tyres to the car manufacturers in the secondary sector.

Conclusion:

- We have considered the inter-dependence between the sectors and have discussed the links between the sectors.
- This reveals what happens to products produced in the primary and secondary sectors and how the tertiary sector supports all these activities by means of services provided.

Breakdown of mark allocation:

<i>Introduction and conclusion</i>	<i>2 marks</i>
<i>Explanation and examples of primary, secondary and tertiary sectors</i>	<i>9 marks</i>
<i>Links (forward and backward) explanations and examples</i>	<i>9 marks</i>
<i>Structure</i>	<i>2 marks</i>
<i>Analysis and Interpretation</i>	<i>2 marks</i>
<i>Originality</i>	<i><u>1 mark</u></i>
TOTAL	<i>25 marks</i>

Question 3:

Introduction:

- Planning is an absolutely crucial factor when it comes to establishing and successfully running a business. As the saying goes, “failing to plan is planning to fail”! Without any planning, the businessman has no hope of success.

SMARTER goals:

- General or non-specific goals are difficult to monitor, so it is advisable to set SMARTER goals:
- Specific...in order to be specific, a goal must be definable. Just to say you aim to make a profit is not good enough – you must say how much you aim to make!
- Measurable...refers to the ability to quantify the goal. You must be able to compare (measure) the improvement in performance to the point from where one started out.
- Achievable...refers to the ability of that particular business to achieve the goal. The goal may or may not be achievable by certain other businesses, but can this business actually achieve the goal that has been set.
- Realistic...this refers to whether the goal is objectively, physically possible to achieve. It must not just be a grand-sounding goal. It must realistically be possible to achieve.

- Time-related...a specific time frame or date for the attainment of the goal must be set. It must not be just a vague date in the future. It must be a specific date or time period within which one works hard to achieve the goal.
- Ethical...the success of the business achieving its goal, should not be at the cost of breaking the law, stealing, being deceitful, etc. The success must be within the bounds of what one might deem to be the right way to do things.
- Recordable...goals need to be written down so that there is some bold, transparent statement of intent which brings about a firm commitment as well as accountability.

The SWOT analysis...

- is an internal analysis or 'audit' conducted by the business of its own Strengths and Weaknesses and the Opportunities and Threats that it faces.
- It is normally something that is included in the business plan.
- businesses use this to work out ways to improve

The Business plan...

- is a detailed overview of the business and covers every aspect from Marketing Strategy to Financial Budgeting.
- It is documented for frequent referral.

The Action plan...

- Is part of Organising in the Management function of the business.
- Is a list of activities and tasks that need to be done.
- It indicates WHO is responsible for these tasks, WHAT resources should be used, the ORDER in which the tasks should be completed and shows the TIME allowed for the completion of each task...in order for the business to start.

Conclusion:

- If one carries out all the above processes properly and carefully, there is no reason for the business to fail on account of there being no plan to work to from the outset.
- Planning is a vital part of the ultimate success story of the business.

Breakdown of mark allocation:

<i>Introduction and conclusion</i>	<i>3 marks</i>
<i>SMARTER goals</i>	<i>21 marks</i>
<i>Significance of a SWOT analysis</i>	<i>4 marks</i>
<i>Usefulness of a BUSINESS plan</i>	<i>3 marks</i>
<i>Where the ACTION plan fits into the picture</i>	<i><u>4 marks</u></i>
<i>TOTAL</i>	<i>35 marks</i>

Question 4:

Environment	0 - 2	3 - 4	5 -6	MARKS
Micro	Basic definition and correct identification of environment.	Environment correctly defined and identified, and level of control correctly indicated.	Identification, definition and control correct, as well as the identification of THREE challenges that impact on the micro environment.	
Market	Basic definition and correct identification of environment.	Environment correctly defined and identified, and level of control correctly indicated.	Identification, definition and control correct, as well as the identification of THREE challenges that impact on the market environment.	
Macro	Basic definition and correct identification of environment.	Environment correctly defined and identified, and level of control correctly indicated.	Identification, definition and control correct, as well as the identification of THREE challenges that impact on the macro environment.	
TOTAL MARKS				<hr/> 18

Micro-economic environment...refers to the internal working of a business such as the management systems, the people employed, the activities, communications, relationships, etc, which the business is able to technically and/or tactically control through efficient decision-making.√√√

Factors which impact on this environment are consumer preferences, activities of competitors, the available capital and other resources, government staffing regulations. Challenges in this environment would be the businesses mission statement, employee skill levels, retention of employees, 'difficult' employees, trade unions, and so on.√√√

The market environment...comprises all the essential elements immediately outside the business which the business takes into account when making decisions and conducting its business. So, while these elements, which are not under the control of the business, play a big role, management is still able to control their activities and beneficially influence the outcome.√√√

Factors which impact on this environment are consumers, suppliers, competitors, bankers, and intermediaries such as wholesalers and agents.√√√

The macro-environment...consists of those elements outside the business of a national or international/global nature, over which the business has no control whatsoever. The business can only analyse and examine these elements and adapt itself to meet the challenges they present.√√√

Factors/challenges which impact on this environment are things like:√√√

- The natural/physical environment...shortage of raw materials, drought, etc
- The institutional/political environment...legislation passed by the govt, etc.
- The social environment...low levels of education, unemployment, shortage of skilled labour, decreasing standards of living, high levels of crime, HIV/AIDS sicknesses, etc.

- The technological environment...technological advances, e-commerce, the IT industry challenges, communications, etc.
- The economic environment...fiscal and tax policies, international trading...
- The international environment...exports and imports of goods and raw materials, international competition, trade barriers, economic unions, etc

Question 5:

GANTT CHART FOR MATRIX COMPUTERS CC

TASK	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5	Member Responsible
Registration of CC						Zola
Raising of Capital						Zola
Staffing						Khumalo
Rental contract & Comm lines						Mike
Stock						Zola
Training of Staff						Khumalo

Question 6:

6.1 The importance of non-verbal communication...

- It is the form that probably speaks loudest of all as it often conveys the truest message
- It is usually an integral part of verbal communication
- Facial expressions, body language and gestures may convey a truer message than words and much more can be read into them than into actual words that may be expressed.

6.2 the other two mediums of communication are (i) written and (ii) oral.

Question 7:

7.1 The Root Cause of 'big business' having to get involved in the socio-economic problems and challenges that SA faces these days, lies in the system of Separate Development of the years gone by.

...lack of education

...lack of job opportunities and job reservation for whites only

...lack of housing, electricity, water and all the essential basic social rights and public services

meant that black people, who represent the majority of the population of SA (80%), were left with a huge backlog to make up in order to get on a par with the white minority, who had previously enjoyed the privileges of living a 'normal' lifestyle as we would expect anyone to live today.

(4 marks)

7.2

- Yes, this involvement should be ongoing!
- The government collects taxes to redistribute wealth/money to these disadvantaged communities so that they can function more effectively.
- Clearly, this is not enough.
- Funds are abused, stolen and misused by ineffective or corrupt govt-appointed managers of the upliftment schemes.
- ‘big business’ is, therefore, required to help in assisting these communities and “adopting” communities, so to speak, to help the government make up the backlog.

On the other hand...

- ‘big business’ could (and do!) claim that they pay taxes to the government to use for these very purposes
- If this money is then misused, abused, stolen by the ineffective and, often, corrupt officials, this is not its problem and the government should take full responsibility for this and sort the problem out itself.
- Under these circumstances, there is an argument for ‘big business’ to leave the problem to the government to sort out and not feel forced to contribute.(5 marks)

Question 8:

- Formal...members are brought together by management for the benefit and aims of the business. Members do not normally have any choice in the team they join.
- Informal...members gravitate together voluntarily out of mutual/common interest and shared goals. They are normally fiercely loyal to each other and the team.

Question 9:

	Partnership	Private Company
Name	No requirements for the name	Must have (Pty) Ltd after name
No of Owners	Min 2 max 20 partners	Min 1 max 50 shareholders
L/person or not	Is not a legal person	Is a separate legal person
Liability - debt	Partners unlimitedly jointly and severally liable for business debts	Shareholders enjoy limited liability for debts of the business
Cont of exist	No cont of existence, not a LPerson	Continuity of existence, is a sep L/Pers
Taxation	Partnership does not pay tax	Company pays tax – is a Legal person
LRequirements	No Legal Reqments for formation	Considerable legal requirements

